



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 19-0102	Date:	January 9, 2019
Prime Sponsors:	Rep. Kennedy	Bill Status:	House Health & Insurance
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Bill Topic: HOSPITAL TRANSPARENCY MEASURES TO ANALYZE EFFICACY

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill directs the Department of Health Care Policy and Financing to create an annual report on uncompensated costs and expenditures made by hospitals. Beginning in FY 2019-20, it will minimally increase state workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

This bill directs the Department of Health Care Policy and Financing (HCPF) to work in consultation with the Colorado Healthcare Affordability and Sustainability Board to develop and prepare an annual report on uncompensated costs and categorical expenditures made by hospitals in the state (hospital expenditure report). In addition to using publicly available data, each hospital in the state is required to provide HCPF with certain information outlined in the bill, including financial statements, operating expenses, and staffing information.

The hospital expenditure report must include but is not limited to: a description of the methods of analysis; uncompensated care costs by payer group; and a breakdown of how different categories of expenses contribute to overall costs. HCPF must post the report to its website as well as submitting it to the General Assembly, the Medical Services Board, and the Governor by January 15 of each year beginning in 2020.

Background

The Colorado Healthcare Affordability and Sustainability Enterprise Board administers the Healthcare Affordability and Sustainability Fee. The Healthcare Affordability and Sustainability Fee allows the state to draw down federal matching funds under Medicaid to pay for uncompensated care at hospitals, as well as the costs of providing care to Medicaid expansion populations. The board receives an appropriation for its administration, which includes analytics and reporting.

State Expenditures

Beginning in FY 2019-20, this bill will minimally increase workload in HCPF to collect information and to contribute to the report on uncompensated costs and expenditures made by hospitals in the state. As discussed above in the Background section, much of this information is already collected by the department; therefore, this workload increase can be accomplished within existing appropriations.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing

Information Technology